

Gail & Larry West

Dear Sir or Madam:

I am fully in agreement with the FTC's efforts to protect the consumers from fraudulent activities and companies and applaud your efforts. Furthermore, I am confident that these types of initiatives can be of great service to the many legitimate companies that desire to run their businesses honestly and ethically.

However, I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a small business owner. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell my technology based products.

I have been an Independent Distributor for more than 6 months. Originally, I became a Distributor in my company because I felt the products were exceptional and I wanted to earn some additional income. my family is partially supported through my direct selling business. The future of my family is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. My company's sales kit only costs \$649.00 and most products are under \$20.00. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period could unfairly single out my business and make more difficult to operate by giving the impression that there might be something wrong with the company I represent. I also think this seven-day waiting period is unnecessary, because our company as a Direct Selling Association member already has a 100% buyback policy for all products including sales kits purchased by any distributor within the last twelve months. There is a 100% refund if not satisfied with the products. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about my company and its business opportunity and will then need to send in many reports to my company headquarters.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. For a typical citizen, any mention of a lawsuit past or present represents "bad news" and could create a negative impact on my business regardless of the outcome or nature of the suit. It does not make sense to me that I would have to disclose these lawsuits unless our company was found guilty. Otherwise, my company and I are put at an unfair competitive advantage even though there has been no wrong doing found.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft and sexual predators, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in

other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to my company and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a product or service from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy, identity theft and personal safety. They will be reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Please do not pass this Rule!

Thank you for your time in considering my comments.

Respectfully,